

ELIGIBLE HOUSES START AT \$100,000 AS OF SEPT 18, 2011 COUNCIL MEETING

CITY OF MAIZE, KANSAS

**ECONOMIC DEVELOPMENT
INITIATIVE**

2011/2012 Housing Incentive Plan

UPDATED

2011/2012 HOUSING INCENTIVE PLAN

- I. PURPOSE:** This Housing Incentive Plan is intended to promote the overall economic development of the City of Maize, Kansas (the "City") by stimulating the construction and sale of new residential housing, thereby bringing new residents to the City.
- II. OPERATION OF THE HOUSING INCENTIVE PLAN:** The governing body of the City has approved, pursuant to Home Rule Ordinance No. ___ adopted August 15, 2011, the payment of Grants to Qualified Residents of the City upon the completion of eligible Property within the City limits. Applications for Grants are to be made during the Application Period to the City Administrator using the form attached hereto as *Exhibit B*. Upon approval of such application by the City Administrator, the City and the Qualified Resident will enter into a Grant Agreement in substantially the form attached hereto as *Exhibit C* specifying the Grant Period, the amount of the Grant, and the conditions of the Grant payments, all in accordance with the provisions of this Plan. Qualified Residents will be required to provide the City with a completed Form W9 at the time the application is filed, and the City shall file Form 1099-G with the Internal Revenue Service and the Kansas Department of Revenue in connection with each Grant payment.

At the end of the Application Period, the governing body of the City will review the Plan and determine its continuation. In the event the Plan is discontinued or modified for subsequent years, those Qualified Residents approved during the Application Period may continue to receive the Grant payments specified in the Grant Agreement for the full term of the Grant Period, provided the conditions of the Plan continue to be met.

A Qualified Resident may assign its interest in the Grant Agreement upon sale of the Property to another Qualified Resident during the Grant Period, provided the conditions of the Plan continue to be met. The participating Qualified Resident is responsible for passing on the conditions of and general information on the Plan to any subsequent owner of the Property.

- III. DEFINITIONS:** As used in this Plan, the following terms have the following respective meanings:

(A) "*Application Period*" means the period beginning August 15, 2011 and ending December 31, 2012.

(B) "*Grant*" means an annual economic development grant payable by the City to the Qualified Resident, in a predetermined amount as set forth in the Grant Agreement, for the duration of the Grant Period. The amount of the Grant shall be determined in accordance with the formula set forth on *Exhibit A* hereto; provided, however, that the amount of the Grant shall never exceed the actual amount of ad valorem property taxes levied against the Property by the City in the calendar year for which the Grant is paid.

(C) "*Grant Agreement*" means the written agreement between the City and the Qualified Resident with respect to the amount and duration of the Grant.

(D) "*Grant Period*" means a 10-year period commencing the later of (1) the calendar year after the year in which the certificate of occupancy is received for the Property or (2) calendar year 2011.

(E) "*Plan*" shall mean the Housing Incentive Plan approved by the governing body of the City of Maize, Kansas in effect at the time the Grant Agreement is executed.

(F) "*Property*" means any free-standing, single-family residence, and associated real property and appurtenances, within the City limits, for which a certificate of occupancy is issued within the Application Period; provided, however, in the case of a single-family residence which is owned by the commercial builder of such residence and is being offered for sale, the certificate of occupancy may have been issued at any time after January 1, 2008.

(G) “*Qualified Resident*” means the record owner of the Property, which may be the commercial builder of the subject residence or the resident owner of the subject residence. Owners of record who rent the Property to unrelated third-parties are not eligible for the Grant.

IV. ADDITIONAL CRITERIA FOR DETERMINATION OF ELIGIBILITY:

(A) Any Property that is delinquent in any tax payment and/or special assessment with respect to any real property within the City shall not be eligible for any Grant payment for the year of the delinquency. Delinquency is defined as: “Any tax and/or special assessment that are not paid by the scheduled due dates and has entered into a period where interest is assigned as a penalty by the county for unpaid condition.” Grants will not be payable for any year until all tax payments and special assessments for such year have been paid in full.

(B) Property must have a minimum appraised value of \$125,000, as determined by the Sedgwick County Appraiser as of January 1 of the first year of the Grant Period.

(C) The Property must conform with all codes, rules, and regulations in effect at the time any improvements are made, and for the length of the Grant Period.

(D) The Property may not be occupied by or rented to a third-party unrelated to the Owner, nor may it be used for business or commercial purposes (other than listed for sale by the commercial builder of the Property).

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EXHIBIT A
Grant Calculation Table

The following table illustrates the method by which the City shall determine the amount of any Grant:

Year	Grant Calculation
1	Assessed Value of the Property as of January 1 times .043323 (the "Base Amount")
2	100% of the Base Amount
3	100% of the Base Amount
4	80% of the Base Amount
5	80% of the Base Amount
6	80% of the Base Amount
7	60% of the Base Amount
8	60% of the Base Amount
9	40% of the Base Amount
10	40% of the Base Amount

UPDATED

EXHIBIT B

**APPLICATION FOR ECONOMIC DEVELOPMENT GRANT
2011/2012 HOUSING INCENTIVE PLAN**

Owner's Name: _____ Day Phone: (____) _____
(Please Print)

Owner's Mailing Address: _____ City: _____ Zip _____

E-mail Address: _____ May we use this for correspondence? ____ Yes ____ No

Address of Property: _____

Parcel Identification Number: _____
(Take from your tax statement or call County Appraiser's Office)

Legal Description of Property: _____

Estimated Start Date of Construction: ____/____/____

Estimated Date of Completion: ____/____/____

Date of Certificate of Occupancy: ____/____/____ (attach copy)

Permitted Value for the Property _____

I have read and do hereby agree to comply with all conditions of the City of Maize, Kansas 2011/2012 Housing Incentive Plan.

Signature of Applicant

Date Signed

APPROVED:

City Administrator

Date

Attachment: Form W9

EXHIBIT C

FORM OF GRANT AGREEMENT

THIS GRANT AGREEMENT is dated as of _____ by and between the City of Maize, Kansas, a Kansas, municipal corporation (the "City") and _____ (the "Owner").

**SECTION 1
RECITALS**

A. The City has established its 2011/2012 Housing Incentive Plan for the purpose of stimulating the overall economic development of the City by encouraging the construction and sale of new residential housing within the City and thereby bringing new residents to the City.

B. The Owner is a Qualified Resident owning Property (as such terms are defined in the Plan) and has applied to the City for participation in the 2011/2012 Housing Incentive Plan.

C. The parties hereto enter into this Grant Agreement to make and confirm certain commitments to each other with respect to certain real property and incentives for the mutual economic benefit and well being of the parties and the residents and inhabitants of the City.

**SECTION 2
DEFINITIONS**

. In addition to words and terms defined elsewhere herein, the following words and terms in this Grant Agreement shall have the meanings hereinafter set forth. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

"Act" means Article 12, § 5 of the Constitution of the State of Kansas (the "Home Rule Amendment") and Home Rule Ordinance No. _____ of the City.

"Grant" means an annual economic development grant payable by the City to the Owner, in the amounts set forth on *Exhibit A* hereto, for the duration of the Grant Period; provided, however, that the amount of the Grant shall never exceed the actual amount of ad valorem property taxes levied against the Property by the City in the calendar year for which the Grant is paid.

"Grant Agreement" means this agreement between the City and the Owner.

"Grant Period" means a 10-year period set forth on *Exhibit A* hereto.

"Plan" shall mean the Housing Incentive Plan approved by the governing body of the City of Maize, Kansas in effect as of the date hereof.

"Property" means the free-standing, single-family residence, and associated real property and appurtenances, described on *Exhibit B* hereto.

**SECTION 3
REPRESENTATIONS AND WARRANTIES**

A. Representations of the City.

(1) The City is a city of the third class duly organized and existing under the laws of the State of Kansas and is authorized by the Act to enter into and perform obligations, agreements and undertakings such as those set forth in this Grant Agreement.

(2) This Grant Agreement constitutes a legal, valid and binding obligation of the City enforceable in accordance with its terms. Such obligation is not subject to the provisions of K.S.A. 10-1101 *et seq.* (Kansas Cash-basis Law) or the annual appropriation of funds.

B. Representations of the Owner.

(1) The Owner acknowledges receipt of a complete copy of the Plan and agrees to comply with its terms and conditions.

(2) The Property is a free-standing, single-family residence owned by the Owner. The Owner is either the commercial builder of the Property and has the property listed for sale, or occupies the Property as a single-family residence. The Property is not occupied or rented to a third-party unrelated to the Owner, nor is it used for business or commercial purposes.

(3) The Owner is not delinquent in any tax payment and/or special assessment for real property located within the City.

(4) The Owner agrees to comply with all codes, rules and regulations in effect in the City with respect to the Property throughout the Grant Period.

(5) The appraised value of the Property, as determined by the Sedgwick County appraiser, is at least \$125,000 as of the date hereof.

(6) If the Property is sold within the Grant Period, the Owner agrees to pass on all information concerning compliance with the Plan to the subsequent owners.

(7) The Owner acknowledges and agrees that the Plan is subject to the laws of the State of Kansas. If the laws of the State of Kansas prohibit the continuation of the Plan, then the City will terminate the Plan, which may result in the termination of any Grant payments that would otherwise be made pursuant to the Plan and this Grant Agreement.

**SECTION 4
GRANT PAYMENTS**

A. The City agrees to make annual Grant payments as set forth on *Exhibit A* hereto, provided the Owner has been in compliance with the terms and conditions of the Plan and this Grant Agreement for the calendar year in question. Such Grant payments will be paid by check payable to the Owner or assigns within 60 days of receipt of the notice required by Section 4(B) hereof. Form 1099-G will be filed with the Internal Revenue Service and the Kansas Department of Revenue with respect to each Grant payment made.

B. The Owner agrees to notify the City when all conditions of the Plan and this Grant Agreement, including payment of all ad valorem taxes and special assessments, are satisfied for a given calendar year and request payment of the Grant for such year.

**SECTION 5
MISCELLANEOUS**

A. This Grant Agreement may be amended only with the prior written consent of the City and the Owner. This Grant Agreement may be assigned by the Owner to a subsequent owner of the Property without the

consent of the City, provided such subsequent owner is a Qualified Resident within the meaning of the Plan. The Owner agrees to provide the City with written notice of such assignment.

B. This Grant Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument, and any of the parties hereto may execute this Amendment by signing any such counterpart.

C. The parties hereto agree that this Grant Agreement shall be governed and construed in accordance with the laws of the State of Kansas.

D. In the event any part or parts of this Grant Agreement are found to be void, the remaining provisions of this Grant Agreement shall nevertheless be binding with the same effect as though the void parts were deleted.

E. GRANT PAYMENTS MAY OR MAY NOT HAVE TAX IMPLICATIONS FOR THE OWNER AND ITS ASSIGNS. EACH RECIPIENT OF GRANT PAYMENTS SHOULD SEEK THE ADVICE OF TAX PROFESSIONALS WITH RESPECT TO THE TREATMENT OF SUCH GRANT PAYMENTS FOR STATE AND FEDERAL INCOME TAX PURPOSES.

IN WITNESS WHEREOF, the City and the Owner have caused this Grant Agreement to be duly executed by their duly authorized representatives.

CITY OF MAIZE, KANSAS

By: _____
City Administrator

OWNER

Name:
Title:

EXHIBIT A TO GRANT AGREEMENT

Calendar Year	Grant Amount

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EXHIBIT B TO GRANT AGREEMENT

Description of the Property

Address:

Legal Description:

Parcel Identification No.:

UPDATED

ASSIGNMENT OF GRANT AGREEMENT

_____, as Owner under the foregoing Grant Agreement, hereby assigns its right, title and interest in such Grant Agreement to _____, the current owner of record of the Property.

Name:

Title:

Date:

The undersigned hereby accepts the assignment of the foregoing Grant Agreement and agrees to comply with all terms and conditions of such Grant Agreement and the Plan.

Name:

Title:

Date:

ACKNOWLEDGED:
CITY OF MAIZE, KANSAS

By: _____

Title:

Date:

Attachment: Form W9